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November 29, 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF CECRETARY

William F. Caton, Acting Secretary Federal Communications Commission Washington, DC 20554 DOCKET FILE COPY ORIGINAL

Re: MM Docket No. 87-268

Dear Mr. Caton:

Submitted herewith is the Statement of Sherwin Grossman, President of the Community Broadcasters Association, to be delivered at the Commission's *en banc* hearing on digital television, scheduled for December 12, 1995.

Mr. Grossman will appear during the afternoon panel on Impact On Consumers, starting at 3:15 p.m.

If there are any questions about this matter, please contact the undersigned.

Very truly yours,

Peter Tannenwald

Attachment

cc: (w/att)

Saul T. Shapiro, Esq. (Rm. 314, 1919 M St.)

Mr. Sherwin Grossman

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THIS AFTERNOON'S PANEL IS LOOKING AT WHAT ATV WILL DO TO CONSUMERS. YOU'VE HEARD EARLIER TODAY FROM SOME VERY BIG BUSINESS ORGANIZATIONS, INVESTORS, AND SOME PUBLIC INTEREST GROUPS.

I'M GOING TO TELL YOU ABOUT A VERY LARGE, BUT VERY
DIFFERENT GROUP OF TELEVISION STATIONS THAT ARE PROVIDING
SERVICES TO SMALL CITIES, MINORITIES, AND RURAL AREAS. IT'S A
GROUP YOU'VE IGNORED SO FAR IN YOUR SPECTRUM ALLOCATION
EFFORTS. AND IT'S A GROUP THAT THE BIG BROADCASTERS DOMINATING
THE ATV WORK ARE GOING TO KEEP IGNORING UNLESS YOU FIVE
COMMISSIONERS TELL THEM TO PAY ATTENTION.

IT IS A GROUP SERVING FIVE TIMES MORE MINORITIES THAN ANY
OTHER PART OF THE INDUSTRY. IT IS A GROUP THAT SERVES SO MANY
PEOPLE IN SMALL TOWNS AND RURAL AMERICA THAT IF IT'S IGNORED
YOU FIVE COMMISSIONERS WILL HAVE VIOLATED THE BASIC TENETS OF
SERVING THE PEOPLE OF THE UNITED STATES.

THE LOW POWER TELEVISION -- OR LPTV INDUSTRY -- AND THAT'S A
MISNOMER -- THEY SHOULD BE CALLED COMMUNITY STATIONS -- IS THE
FASTEST GROWING SEGMENT OF THE BROADCASTING INDUSTRY. THERE
ARE 1772 LICENSED LPTV STATIONS DOING ALL KINDS OF THINGS IN

VIRTUALLY EVERY STATE, GUAM, AND PUERTO RICO. MOST OF THEM WERE BUILT IN THE LAST 10 YEARS. THEY RANGE FROM STATIONS SERVING MINORITY AUDIENCES LIKE MY OWN IN MIAMI WITH 1,200,000 HISPANICS TO THE GRANNY EVETTS' TINY HOME TOWN STATION IN ETHERIDGE, TENNESSEE, POPULATION 500. THESE STATIONS HAVE BEEN BUILT WITH INVESTORS' OWN MONEY, IN THE FINE EXAMPLE OF AMERICAN FREE ENTERPRISE USING "THE FUNDAMENTAL MAXIM SHOULD BE TO TRUST MARKETS..." -- SOMETHING YOU DON'T SEE MUCH OF ANY MORE. THEY HAVE NO MUST CARRY ABOVE 160 MARKET AND A LEASED ACCESS RATE WHICH YOU CONDONE SO HIGH THAT IT'S UNWORKABLE. AS AN EXAMPLE. CONTINENTAL CABLEVISION. WHO HAS JUST SIGNED A SOCIAL CONTRACT WITH YOU, WANTS TO CHARGE \$52,122 PER MONTH FOR APPROXIMATELY 80,000 SUBSCRIBERS OR 10% OF THE SUBSCRIBERS IN THE MIAMI MARKET..

IF YOU IGNORE THESE BABY STATIONS WHEN YOU CHANGE THE BATH WATER, YOU ARE THROWING OUT THE BABY. YOU'LL LOSE THE ONLY LOCAL SERVICE THAT MILLIONS OF PEOPLE IN SMALL TOWNS AND CITIES AND RURAL AREAS HAVE TODAY. THE FCC HAS PREACHED THE VIRTUES OF EXTENDING SERVICE TO THE POOR AND DISADVANTAGED. HOW CAN YOU JUSTIFY DOING THAT ONLY THROUGH THE INTERNET.

WHICH REQUIRES A COMPUTER, AN ACCESS POOR PEOPLE CAN'T AFFORD,
AND CABLE, WHICH POOR PEOPLE CAN'T AFFORD EITHER, AND WHICH
DOESN'T GIVE THEM ANY LOCAL SERVICE? WHY DO YOU WANT TO SHUT
OFF A SERVICE THAT HAS AN AVERAGE OF 23 HOURS A WEEK OF
CHILDREN'S PROGRAMMING -- WITH NO GOVERNMENT REQUIREMENT
MAKING THEM DO IT?

WITH ALL DUE RESPECT, THE RAPID ADVANCEMENT OF HIGH TECH IN OUR MODERN WORLD HAS DONE NOTHING AT ALL TO REPLACE THE LOCAL BROADCASTER. WHEN DISASTER STRIKES, THE VERY LIVES OF OUR CITIZENS DEPEND ON FREE OVER-THE-AIR INFORMATION. WHEN HURRICANE ANDREW HIT MIAMI, THE CABLE WENT DEAD IMMEDIATELY. THE ONLY THING THAT AVOIDED PANIC WAS OVER-THE-AIR BROADCASTING. MY STATION IS THE OFFICIAL EMERGENCY BROADCAST STATION FOR DADE COUNTY. PEOPLE COULD PICK IT UP WITH BATTERIES WHEN THEY LOST ELECTRIC POWER. AND EVEN IF THE CABLE LINES HAD STAYED UP, CABLE IS LIKE MOVIE THEATERS -- THEY SHOW ONLY WHAT SOMEBODY ELSE PRODUCES. BROADCASTERS PRODUCE THE INFORMATION PEOPLE NEED.

AND WHAT ABOUT PEOPLE WHO DON'T SPEAK ENGLISH, LIKE
HISPANICS HERE IN WASHINGTON WHO GET NO SERVICE EXCEPT FROM

LPTV? WHAT ABOUT THE ONLY AFRICAN-AMERICAN TV STATION IN LOUISVILLE? WHAT ABOUT PEOPLE WHO DON'T LIVE IN A BIG CITY, LIKE THE PEOPLE IN MARSHALLTOWN, IOWA; HOPKINSVILLE, KENTUCKY; JUNCTION CITY, KANSAS; FRONT ROYAL OUT ROUTE 66 IN VIRGINIA; AND THE KIDS WHO RUN AN LPTV STATION AT THE HIGH SCHOOL IN PRINCETON, INDIANA? THE LIST GOES ON AND ON. FULL POWER TV STATIONS CAN'T SURVIVE WITHOUT A BIG CORE CENTRAL MARKET. BUT LPTV STATIONS CAN AND DO THRIVE ON LOCAL SERVICE -- SERVICE PEOPLE DIDN'T HAVE UNTIL LPTV CAME ALONG. WHEN A STORM WIPED OUT PANAMA CITY BEACH ON THE FLORIDA PANHANDLE A FEW MONTHS AGO. THE PEOPLE THERE WOULD HAVE BEEN CUT OFF FROM ALL LOCAL INFORMATION IF IT HADN'T BEEN FOR BEACH TV. THOSE PEOPLE --INCLUDING THE LOCAL CABLE COMPANY THAT BEACH TV HELPED GET UP AND RUNNING AGAIN -- WOULDN'T GIVE UP BEACH TV FOR ANYTHING TODAY.

MOST OF THESE PEOPLE IN SMALL TOWNS DON'T EVEN KNOW
YOU'RE THREATENING THEIR LOCAL TV SERVICE. THEY DON'T READ THE
FEDERAL REGISTER. THEY DON'T HAVE, AND THEY CAN'T AFFORD,
LEGIONS OF LOBBYISTS WALKING AROUND ON THE 8TH FLOOR EVERY
DAY. THEY PAY THEIR TAXES AND EXPECT YOU TO LOOK OUT FOR THEM.

I HAVE A BIG MAP HERE THAT SHOWS WHAT AREAS LPTV STATIONS

ARE SERVING IN THE STATE OF OHIO AND FLORIDA. THE COMMUNITY

BROADCASTERS ASSOCIATION IS GOING TO SUBMIT 50 OF THESE MAPS IN

ITS REPLY COMMENTS ON JANUARY 12. THIS IS NO SMALL LOSS OF

SERVICE WE'RE TALKING ABOUT.

WHO BETTER SERVES ALL THESE NEEDS THAN LOCAL COMMUNITY BROADCASTERS? THEY'RE DOING THE JOB. NO ONE ELSE DOES IT EXCEPT LOCAL RADIO -- AND A LOT OF LOCAL LOCALLY OWNED RADIO IS ON ITS WAY OUT WHEN CONGRESS ELIMINATES ALL THE RADIO OWNERSHIP LIMITS. MOST LPTV STATIONS ARE LOCALLY OWNED AND RUN PERSONALLY BY THEIR OWNERS. IF ATV IS CREATED WITH NO SERVICE TO MINORITIES, SMALL CITIES, AND RURAL AREAS, THEN AREN'T WE A GIANT LEAP BACKWARDS?

I'M 71 YEARS OLD. MAYBE I SHOULDN'T CARE IF LOCAL
SERVICE GOES DOWN THE DRAIN IN ANOTHER DECADE. BUT IF YOU
FORCE BROADCASTING INTO A NATIONAL DISTRIBUTION MOLD BY
ELIMINATING LOCAL STATIONS, YOU'LL BE LEAVING A BIG PART OF THIS
COUNTRY WITHOUT THE BASIC IDEA AND INFORMATION PIPELINE THAT
MAKES DEMOCRACY WORK. I DON'T WANT TO LEAVE THAT TO THE NEXT
GENERATION.

IS THERE A WAY TO HAVE ATV WITHOUT DISPLACING LPTV? I
THINK SO, BUT YOU HAVE TO MAKE IT A PRIORITY TO MAKE IT WORK.
AND STOP RAISING MONEY IN AUCTIONS THE PRIMARY DRIVING FORCE
BEHIND YOUR DECISIONS. TAKE YOUR FOCUS OFF OF REPACKING THE
SPECTRUM INTO THE SMALLEST POSSIBLE SPACE SO YOU HAVE
SOMETHING TO SELL, UNTIL YOU MAKE SURE THAT EVERYONE WHO
NEEDS SERVICE CAN GET IT. WHEN YOU SELL SPECTRUM, THE TREASURY
GETS MONEY ONCE, AND IT'S ALL OVER -- A ONE-SHOT DEAL -- AND THE
LITTLE GUYS NEVER WIN.

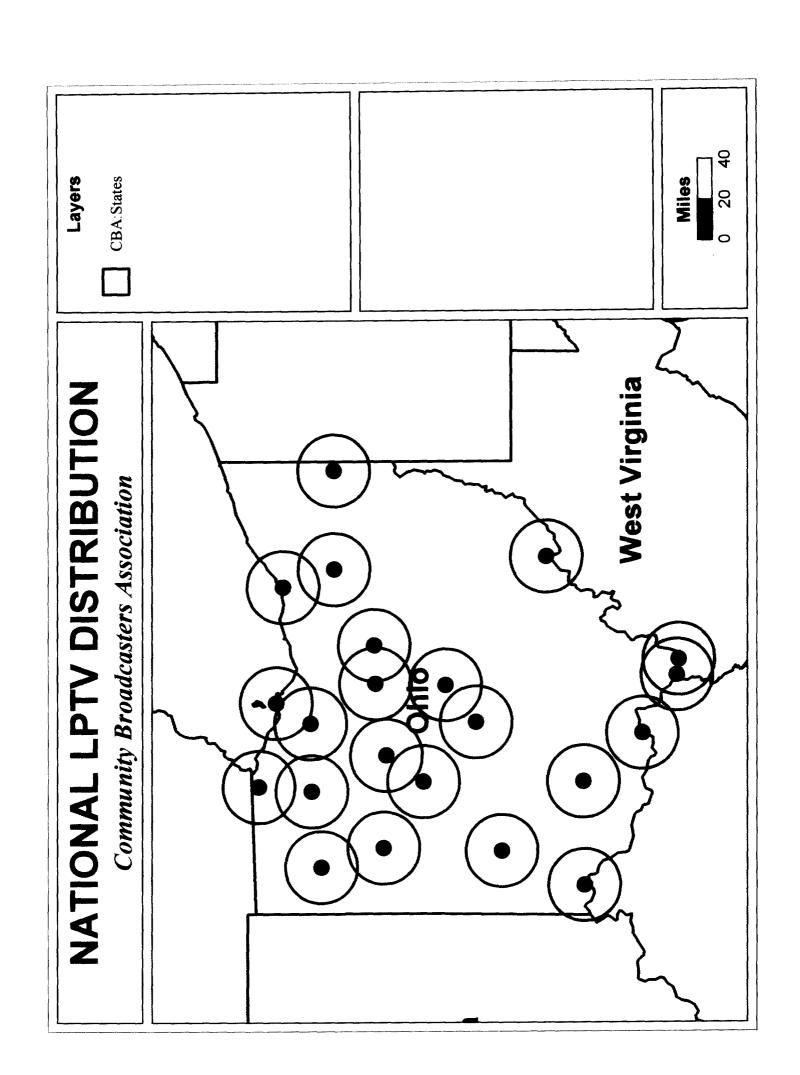
I SAY THAT YOU SHOULD PICK A DATE -- OR A RANGE OF DATES -FOR CONVERSION TO ATV. THEN LET ALL THE EXISTING STATIONS -- FULL
POWER AND LOW POWER -- CONVERT ON THEIR EXISTING CHANNELS.
VIEWERS WHO DON'T WANT TO BUY NEW TV SETS SHOULD BE ABLE TO
BUY DIGITAL CONVERTERS THAT DISPLAY NTSC PICTURES ON THEIR OLD
SETS. IF ALL TV STATIONS CONVERT TO DIGITAL AT THE SAME TIME,
THERE WILL BE ENOUGH DEMAND FOR THE CONVERTERS TO DRIVE THEIR
PRICE DOWN TO AN AFFORDABLE LEVEL -- A LOT LESS THAN AN
INTERNET COMPUTER OR A YEAR'S CABLE SERVICE. THOSE CONVERTERS
ARE GOING TO BE NEEDED ANYWAY FOR PEOPLE WHOSE CABLE SERVICE
IS STILL ANALOG. WE DON'T HAVE TO USE UP TWO CHANNELS FOR

EVERY STATION FOR 15 YEARS. WE DON'T HAVE TO DISPLACE ANYONE.

AND EVERYONE CAN HAVE LOCAL SERVICE THAT REALLY MEANS

SOMETHING TO THEM.

THANK YOU.



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